

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 AID-05 IO-10 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 L-03 H-02 DOTE-00 ( ISO ) W

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R 230803Z JUN 75

FM AMEMBASSY MANILA

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 9/23/75

TAGS: EAID, EFIN

SUBJECT: PROPOSED TECHNICAL ASSISTANCE (TA) FOR LUZON ROADS  
FEASIBILITY STUDY PROJECT

SUMMARY: ADB PROPOSING SERVE AS EXECUTING AGENCY FOR  
UNDP-FINANCED TA TO CONDUCT FEASIBILITY STUDIES FOR  
GROUP OF PRIMARY ROADS (ABOUT 500 KILOMETERS) AND  
ASSOCIATED LINK AND FEEDER ROADS IN WEST CENTRAL AND  
SOUTHWESTERN LUZON FOR POSSIBLE SUBSEQUENT BANK FINANCING.  
ROADS TO FACILITATE AGRO-INDUSTRIAL-TOURISM DEVELOPMENT.  
USADB RECOMMENDS FAVORABLE NAC ACTION. END SUMMARY.

1. ADB DOC. R-56-75 DESCRIBING PROPOSED TA POUCHED  
JUNE 17. BOARD CONSIDERATION SCHEDULED JULY 1, 1975.

2. ADB MANAGEMENT PROPOSING SERVE AS EXECUTING AGENCY  
ON BEHALF UNDP TO CONDUCT FEASIBILITY STUDIES OF 500 KM  
GROUP OF PRIMARY ROADS, THEIR LINK AND FEEDER ROADS IN  
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WEST CENTRAL AND SOUTHWESTERN LUZON. TA PROCEEDS WOULD

FINANCE COST OF CONSULTING SERVICES FOR ROAD STUDIES. GOVT HAS ASSIGNED HIGH PRIORITY TO IMPROVING ROAD NETWORK THESE AREAS IN LUZON TO FOSTER ECONOMIC DEVELOPMENT, REMOVE TRANSPORTATION CONSTRAINTS, FACILITATE URBAN DECONGESTION GREATER MANILA, ASSIST BOTH DOMESTIC AND FOREIGN TOURISM. UNDP GRANT WOULD FINANCE FOREX COSTS OF PROJECT STUDY, ESTIMATED AT \$310,000.

3. EXISTING ROADS AND BRIDGES IN PROJECT AREA SUBSTANDARD, DETERIORATED CONDITION, INADEQUATE FOR TYPE AND VOLUME OF TRAFFIC ANTICIPATED. AREAS SERVED HAVE AGRICULTURAL AND TOURISM DEVELOPMENT POTENTIAL. IMPROVEMENT/REHAB. OF EXISTING ROADS WOULD COMPLETE MISSING SEGMENTS OF LUZON TRANSPORT INFRASTRUCTURE; IMPROVE OR PROVIDE ACCESS TO AREAS AND RESULT IN ROAD USER AND MAINTENANCE COST SAVINGS.

4. STUDY, EXPECTED TO TAKE NINE MONTHS, WOULD REQUIRE 28 MAN-MONTHS OF CONSULTANT SERVICES INCLUDING SENIOR HIGHWAY ENGINEER (PROJECT MANAGER) (NINE MONTHS); SENIOR TRANSPORT ECONOMIST (SIX MONTHS); STRUCTURAL (BRIDGE) ENGINEER (FOUR MONTHS); SOILS AND MATERIALS ENGINEERS (THREE MONTHS); AND TRAFFIC AND PAVEMENT ENGINEER (TWO MONTHS); FOUR MAN-MONTHS OF EXPERT'S TIME TO BE ALLOCATED AS REQUIRED.

5. BANK, SERVING AS EXECUTING AGENCY, WOULD RECRUIT, SUPERVISE AND EVALUATE CONSULTANTS, CONDUCT LIAISON BETWEEN UNDP, GOVT, AND CONSULTANTS; ADMINISTER UNDP FUNDS, COORDINATE RESULTING STUDIES AND FINDINGS. IN ACCORD EXISTING PRACTICE, UNDP TO REIMBURSE BANK AMOUNT EQUAL TO 14 PERCENT OF FOREX COSTS TO MEET BANK'S OVERHEAD EXPENSES.

6. GOVT HAS DESIGNATED DEPARTMENT PUBLIC HIGHWAYS (DPH) AS COOPERATING AGENCY FOR PROJECT, WHO WILL PROVIDE FULL-TIME COUNTERPART TEAM, NECESSARY PROFESSIONAL, TECHNICAL AND SUPPORTING STAFF; OFFICE ACCOMMODATIONS, IN-COUNTRY TRAVEL, SUPPLIES AND OTHER NEEDED FIELD SUPPORT. GOVT CONTRIBUTION (ALL IN KIND) VALUED AT LIMITED OFFICIAL USE

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PESOS 1.22 MILLION (\$173,500 EQUIV.), FOR TOTAL COST OF ENTIRE PROJECT ESTIMATED TO BE \$483,500 EQUIVALENT. FOREX COMPONENT TO BE WHOLLY GRANT-FINANCED BY UNDP, COVERING REMUNERATION, FEES, PER DIEM, INTERNATIONAL TRAVEL AND MISC. COSTS OF CONSULTANTS.

7. 500 KM PRIORITY PRIMARY AND 200 KM FEEDER ROADS TO BE STUDIED LIE WITHIN PROVINCES OF PANGASINAN, ZAMBALES,

TARLAC, CAVITE, BATANGAS AND LAGUNA, PREDOMINANTLY URBAN AND SUBURBAN CHANGING TO MORE PASTORAL AND AGRICULTURAL IN OUTLYING AREAS. MAJOR ROADS INCLUDED ARE: FOR WEST CENTRAL LUZON-ZAMBALES, PANGASINAN AND TARLAC PROVINCES; A) ZAMBALES-PANGASINAN ROAD (235 KM) AND B) BOTOLAN-CAPAS ROAD (65 KM). ZAMBALES-PANGASINAN ROAD LIES ALONG ZAMBALES COAST FRONTING SOUTH CHINA SEA, RUNNING ROUGHLY FROM SUBIC BAY NORTH TO LINGAYEN GULF; IS ONLY REMAINING SUB-STANDARD LINK IN WEST CENTRAL LUZON ROAD LOOP (SAN FERNANDO-BUGALLON PORTION BEING UPGRADED UNDER IBRD CREDIT); CAPAS-BOTOLAN LINK TIES COASTAL ROAD TO MAIN MANILA NORTH ROUTE TO BAGUIO; FOR SOUTHWESTERN LUZON -CAVITE, BATANGAS AND LAGUNA PROVINCES; A) TAGAYTA CITY - PALICO - BATANGAS CITY ROAD (95 KM); B) BACOR - NAIC - LOOC - NASUGBU ROAD (77 KM); AND TAGAYTA CITY - CALAMBA ROAD (28 KM). THIS AREA WITHIN METROPOLITAN MANILA BAY REGION WHERE SUBSTANTIAL AGRO-COMMERCIAL-TOURISM DEVELOPMENTS NOW UNDERWAY OR PLANNED; PROJECT ROADS COMPLETE CIRCUMFERENTIAL LOOPS THIS AREA OF LUZON; EXPECTED TO PROVIDE SUBSTANTIAL BENEFITS TO ECONOMY; HAVE SOCIAL IMPLICATIONS IN HELPING DECONGEST MANILA, PROVIDE INCREASED RECREATIONAL OPPORTUNITIES FOR URBAN RESIDENTS.

7. CONSULTANT'S REPORT AND RECOMMENDATIONS DO NOT COMMIT BANK TO FINANCE OR PURSUE OTHER FOLLOW-UP ACTIONS; SUCH FOLLOW-UP TO BE CONSIDERED LATER ON BASIS OF MERITS OF INDIVIDUAL PROJECTS IF DETERMINED TO BE TECHNICALLY SOUND AND ECONOMICALLY VIABLE.

8. USADB RECOMMENDS FAVORABLE NAC ACTION. U.S. MISSION MANILA REQUESTED PREPARE COMMENTS SEPTEL LIMITED OFFICIAL USE

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FOR NAC AGENCIES, PURSUANT STATE 119795 DTD. JULY 3, 1972.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, CONSULTANTS, HIGHWAYS, PROGRAMS (PROJECTS)  
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Margaret P. Grafeld  
Declassified/Released  
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**TAGS:** EAID, EFIN, RP, ADB-1, UNDP  
**To:** STATE  
**Type:** TE  
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